

Ontario Energy Board
P.O. Box 2319
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Attention: Board Secretary

July 16, 2012 SENT VIA E-MAIL

Reference: File Number EB-2012-0136
Hydro One Application for Electricity Distribution Rate Change

As a rural customer of Hydro One, and after considerable research on electricity rates throughout North America, I respectfully submit this letter of comment regarding Hydro One's application for an electricity distribution rate change.

Hydro One Networks Inc.'s application should be denied for the following reasons:

1. When comparing what Canadian residents pay per kilowatt-hour, with all charges considered, Ontario residents already pay more than residents of all other jurisdictions. Where delivery rates are shown separately, Hydro One already has the highest delivery rates in the country.
2. Hydro One seasonal customers often pay more for delivery charges than for actual power consumption, thereby discouraging energy conservation initiatives.
3. Actual power consumption by Hydro One customers is arbitrarily adjusted upward by a factor of 9.2% to account for "line loss" (a term used to describe a phenomenon where electricity is lost along the distribution lines). This "adjustment" is unique to Ontario. Is it possible that line loss is unique to Ontario? Furthermore, this adjustment factor has been increased from 8.0% to 9.2% in the past 18 months. The idea that line loss has increased by 15% is ludicrous and a poorly disguised rate increase. It should be reversed.
4. To make matters even more ludicrous, Hydro One customers pay a delivery charge on this undelivered electricity, and also pay HST on this same undelivered electricity.

In spite of their best efforts to conserve energy, which have resulted in significant reductions in overall residential power consumption in Ontario, customers have seen their electricity bills skyrocket in recent years, while Hydro One's cash flow has almost doubled, according to publicly available financial statements.

It is time for the Ontario Energy Board to take a stand in favor of Ontarians. Say NO to further increases until Hydro One can satisfactorily address the issues listed above.

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